Waste Management Enterprise Fund of the Public Works and Waste Management Department of Miami-Dade County, Florida

Agreed-Upon Procedures on Full Cost Disclosure Report September 30, 2014





Independent Accountants' Report on Applying Agreed-Upon Procedures

The Florida Department of Environmental Protection, the Waste Management Enterprise Fund of the Public Works and Waste Management Department, Management of Miami-Dade County, and Members of the Board of County Commissioners

We have performed the procedures enumerated below, which were agreed to by management of the Waste Management Enterprise Fund of the Public Works and Waste Management Department (the Department) of Miami-Dade County, Florida, solely to assist management of the Department and the Florida Department of Environmental Protection in evaluating the Department's financial reporting requirements pursuant to Chapter 62-708, *Florida Administrative Code* for the year ended September 30, 2014 as reported in the accompanying *Full Cost Disclosure Reports*. The Department's management is responsible for the preparation and accuracy of the *Full Cost Disclosure Reports*. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures that we performed and our findings, if any, are summarized as follows (dollars are in thousands). We obtained all financial information and related schedules from the Department's Controller Office. Materiality, for the purpose of this report, has been determined to be \$600 and 0.50%:

- 1. We compared the total cost of \$151,202 from the Full Cost Disclosure Report (see page 2 of the full cost report attached) to the sum of operating expenses of \$90,348, plus depreciation expense of \$7,079, plus interest expense of \$208, obtained from the Waste Collection System unaudited client prepared Schedule of Revenues, Expenses, and Changes in Fund Net Position (see page 2 of the full cost report attached) for the year ended September 30, 2014, adjusted for the following amounts obtained from client supporting schedules plus disposal costs of \$51,083, less amortization of debt related cost of \$107, plus loss on the sale of capital assets of \$65, plus other non-operating expenses of \$2,526. No exceptions were noted.
- 2. We recomputed the "cost per unit serviced" on the Full Cost Disclosure Report (see page 2 of the full cost report attached) by dividing the respective Full Cost amount by the Units Serviced (numbers of households or commercial units, as applicable). No exceptions were noted. We also recomputed the "cost per ton" on the Full Cost Disclosure Report (see page 2 of the full cost report attached) by dividing the respective Full Cost amount by the Tons (residential or commercial, as applicable). No material exceptions were noted.
- 3. We compared the respective amounts in the "Allocation of Support Costs" columns from the Full Cost Summary With Allocations report (see Page 3 of the full cost report attached), to the corresponding amounts listed on the Basis of Allocations for Full Cost Report (see Page 4 of the full cost report attached) and found them to be in agreement. No exceptions noted.

- 4. On the Basis of Allocations for Full Cost Report (see attachment), we recomputed the allocation amounts and related percentages listed for Garbage, Trash, Interest Expense, Depreciation, and Department wide, by multiplying the respective amounts in each category by their corresponding percentages (see Page 4 of the full cost report attached). No material exceptions were noted.
- 5. We compared the number of units and annual tons which management obtained from the Department's information systems as reported on the Workload Measures Report (see Page 5 of the full cost report attached), to unaudited Statistical Tables IVA and V which is to be included in the Department's September 30, 2014 financial statements, and found them to be in agreement. No exceptions were noted.
- 6. We inquired of the Department's Controller regarding the basis of allocation for the *Full Cost Disclosure Reports* and were informed that the methodology used is consistent with that of the prior year.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion regarding the amounts and calculations in the *Full Cost Disclosure Reports* of the Department for the fiscal year ended September 30, 2014. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Florida Department of Environmental Protection and management of the Miami-Dade County Public Works and Waste Management Department, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida March 31, 2015

McGladry CCP



WASTE MANAGEMENT ENTERPRISE FUND

AN ENTERPRISE FUND OF PUBLIC WORKS AND WASTE MANAGEMENT DEPARTMENT

A DEPARTMENT OF MIAMI-DADE COUNTY, FLORIDA

WASTE COLLECTION SYSTEM

FULL COST DISCLOSURE REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30. 2014

RESIDENTIAL SERVICES

COLLECTION DISPOSAL 326,396 \$207 \$2124			HOUSEHOLDS SERVED	FULL COST PER HOUSEHOLD
DISPOSAL 326,396 \$124	GARBAGE & TRASH CURBSIDE PROGRAM			
COLLECTION 326,396 529 527 TRC - TRANSPORTATION COST (1) 326,396 527 527 TRC - TRANSPORTATION COST (1) 326,396 518 527 TRC - TRANSPORTATION COST (1) 326,396 518 518 529 1				
DISPOSAL 326,396 \$27 TRC - TRANSPORTATION COST (1) \$26,396 \$18	TRASH & RECYCLING CENTERS (TRASH)			
ILLEGAL DUMPING/ENFORCEMENT	DISPOSAL	(1)	326,396	\$27
COLLECTION \$236 \$48 \$286 \$286 \$3	RECYCLING PROGRAMS		355,973	\$29
COLLECTION \$236 \$236 \$351 \$351 \$352 \$	ILLEGAL DUMPING/ENFORCEMENT	(2)	326,396	\$14
COLLECTION \$236 \$151 TRC - TRANISPORTATION COST \$18 RECYCLING \$29 ILLEGAL DUMPING/ENPORCEMENT \$14 LITTER CONTROL \$452 TOTAL \$452 COMMERCIAL SERVICES TOTAL FULL COST TOTAL TONS PER TON GARBAGE & TRASH COLLECTION PROGRAW 7,124 \$124 GARBAGE DISPOSAL 7,124 \$153 TRASH COLLECTION 4,089 \$71 TRASH DISPOSAL 4,089 \$70	LITTER CONTROL	(3)	326,396	\$4
GARBAGE & TRASH COLLECTION PROGRAM GARBAGE COLLECTION 7,124 \$124 GARBAGE DISPOSAL 7,124 \$153 TRASH COLLECTION 4,089 \$71 TRASH DISPOSAL 4,089 \$70	COLLECTION DISPOSAL TRC - TRANSPORTATION COST RECYCLING ILLEGAL DUMPING/ENFORCEMENT LITTER CONTROL			\$151 \$18 \$29 \$14 \$4
GARBAGE & TRASH COLLECTION PROGRAM TONS PER TON GARBAGE COLLECTION GARBAGE COLLECTION GARBAGE DISPOSAL T,124 S153 TRASH COLLECTION 4,089 S71 TRASH DISPOSAL 4,089 S70 3.71	сомме	RCIAL SERVICES		
GARBAGE DISPOSAL 7,124 \$153 TRASH COLLECTION 4,089 \$71 TRASH DISPOSAL 4,089 \$70	GARBAGE & TRASH COLLECTION PROGRAM			
TOTAL\$418	GARBAGE DISPOSAL TRASH COLLECTION		7,124 4,089	\$153 \$71
	TOTAL			\$418

NO OTHER PROGRAMS (3)

THE AVERAGE WASTE DISPOSED OF ON A PER HOUSEHOLD BASIS WAS DETERMINED TO BE 2.31 TONS

- (1) SINCE FISCAL YEAR 2010, THESE COSTS RESIDE IN THE COLLECTION FUND
- (2) THIS PRESENTATION REFLECTS ILLEGAL DUMPING/ENFORCEMENT COSTS (AFTER ALLOCATION OF INDIRECT COSTS) ALL RESIDING IN THE COLLECTION FUND.
- (3) SPECIFIC USER FEES TO COVER THE LITTER PROGRAM HAD NOT RESUMED AS OF FISCAL YEAR 2014. THEREFORE, THE DEPARTMENT DEEMS APPROPRIATE TO ALLOCATE THESE COSTS TO THE HOUSEHOLDS.

Waste Management Enterprise Fund An Enterprise Fund of Public Works and Waste Management Department A Department of Miami-Dade County, Florida Waste Collection System Full Cost Disclosure Report 09/30/2014

	Full Cost (Final)	Units Serviced (# households or commercial units as applicable)	Cost Per Unit Serviced*	Tons (Residential or Commercial as applicable)	Cost per Ton'
GARBAGE AND TRASH CURBSIDE PROGRAM					
GARBAGE COLLECTION TRASH COLLECTION	\$52,110,474 \$15,447,307	326,396 326,396	\$160 \$47	696,334 696,334	\$75 \$22
COLLECTION TOTAL	\$67,557,781		\$207		\$97
GARBAGE DISPOSAL TRASH DISPOSAL	\$33,398,296 \$7,168,846	326,396 326,396	\$102 \$22	696,334 696,334	\$48 \$10
DISPOSAL TOTAL	\$40,567,142		\$124		\$58
TRASH AND RECYCLING CENTERS (TRASH)	045 404 044				
COLLECTION DISPOSAL	\$15,484,211 \$8,913,570	326,396 326,396	\$47 (1 \$27	696,334 696,334	\$22 \$13
RECYCLING PROGRAMS	\$10,255,886	355,973	\$29	62,915	\$163
RESIDENTIAL COSYS FOR COMBINED SERVICE AREA					
COLLECTION	\$83,041,992	326,396	\$254 (2		\$119
DISPOSAL RECYCLING	\$49,480,712 \$10,255,886	326,396 355,973	\$151 \$29	696,334 62,915	\$71 \$163
TOTAL	\$142,778,590		\$434		\$353
COMMERCIAL GARBAGE AND TRASH COLLECTION PROGRAM					
GARBAGE COLLECTION	\$886,315			7,124	\$124
GARBAGE DISPOSAL TRASH COLLECTION	\$1,090,017 \$289,215			7,124	\$153
TRASH DISPOSAL	\$286,897			4,089 4,089	\$71 \$70
COMMERCIAL TOTAL	\$2,552,444		<u> </u>		\$418
OTHER PROGRAMS		Units Serviced	Cost per Unit Serviced	F44	· · · · · · · · · · · · · · · · · · ·
ILLEGAL DUMPING/ENFORCEMENT	\$4,675,769	326,396	\$14	Footnotes:	vcling Centers (Trash) Cost
LITTER CONTROL	\$1,194,923	326,396	\$4		f \$47 is sp§t as follows in
OTHER PROGRAMS TOTAL	\$5,870,692	Total	\$452	Collection	
TOTAL COSTS	\$151,201,726			TRC Transp, Co.	\$18 \$47
*The Cost Per Unit Serviced and Cost Per Ton figures present	ed herein are rounded.			(2) Herein includes (see 1 above)	\$18 in transportation cost

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Waste Management Enterprise Fund An Enterprise Fund of Public Works and Waste Management Department A Department of Miami-Dade County, Florida Waste Collection System Full Cost Summary With Allocations 09/30/2014

	-	·		Allocation of Support Costs	····		
	Preliminary	Garbage Allocation	Trash Allocation	Interest Allocation	Depreciation Allocation	Dptwide Allocation	Final
GARBAGE AND TRASH CURBSIDE PROGRAM							
GARBAGE COLLECTION	\$39,728,798	\$735,313	\$0	\$61,692	\$4,309,644	\$7,275,027	\$52,110,474
GARBAGE DISPOSAL	\$33,398,296	\$0	\$0	\$0	\$0	\$0	\$33,398,296
TRASH COLLECTION	\$11,215,034	\$0	\$730,963	\$19,103	\$1,334,441	\$2,147,766	\$15,447,307
TRASH DISPOSAL	\$7,168,846	\$0	\$0	\$0	\$0	\$0	\$7,168,846
TRASH AND RECYCLING CENTERS (TRASH)							
COLLECTION	\$11,241,828 (a) \$0	\$732,709	\$19,148	\$1,337,629	\$2,152,897	\$15,484,211
DISPOSAL	\$8,913,570	\$0	\$0	\$0	\$0	\$0	\$8,913,570
RECYCLING PROGRAMS	\$8,692,979	\$0	\$0	\$0	\$0	\$1,562,907	\$10,255,886
COMMERCIAL GARBAGE AND TRASH							
COLLECTION PROGRAM							****
GARBAGE COLLECTION	\$676,998	\$11,113	\$0	\$1,051	\$73,438	\$123,715	\$886,315
GARBAGE DISPOSAL	\$1,090,017	\$0	\$0	\$0	\$0	\$0	\$1,090,017
TRASH COLLECTION	\$197,232	\$0	\$27,733	\$336	\$23,468	\$40,446	\$289,215
TRASH DISPOSAL	\$286,897	\$0	\$0	\$0	\$0	\$0	\$286,897
OTHER PROGRAMS					••	4740.540	44 675 700
ILLEGAL DUMPING/ENFORCEMENT	\$3,963,223	\$0	\$0	\$0	\$0	\$712,546	\$4,675,769
LITTER CONTROL	\$950,853	\$0	\$61,974	\$0	\$0	\$182,096	\$1,194,923
TOTAL DIRECT COSTS	\$127,524,571	\$746,426	\$1,553,379	\$101,330	\$7,078,620	\$14,197,400	\$151,201,726
ADMINISTRATIVE SUPPORT							
DEPTWIDE COSTS TO BE ALLOCATED	\$14,197,400	\$0	\$0	\$0	\$0	(\$14,197.400)	\$0
INTEREST COSTS TO BE ALLOCATED	\$101,330	\$0	\$0	(\$101,330)	\$0	\$0	\$0
DEPRECIATION TO BE ALLOCATED	\$7,078,620	\$0	\$0	\$0	(\$7,078,620)	\$0	\$0
GARBAGE ADMIN. DIVISION COSTS	\$746,426	(\$746,426)	\$0	\$0	\$0	\$0	\$0
TRASH ADMIN. DIVISION COSTS	\$1,553,379	\$0	(\$1,553,379)	\$0	\$0	\$0	\$0
CAPITAL COSTS TO BE ELIMINATED	\$2,024,312	\$0	\$0	\$0	\$0	50	\$2,024,312
CAPITAL COST Elimination	(\$2,024,312)	\$0	\$0	\$0	\$0	\$0	(\$2,024,312)
TOTAL COSTS	\$151,201,726	\$0	\$0	\$0	\$0	\$0	\$151,201,726

⁽a) In fiscal year 2014, includes T&R Transportation Cost.

Waste Management Enterprise Fund An Enterprise Fund of Public Works and Waste Management Department A Department of Mismi-Dade County, Florida Waste Collection System Basis of Allocations for Full Cost Report 09/30/2014

1. Garbage Administration Division Costs: Administrative costs totaling:	\$746,426
in the Garbage Division were allocated between residential and commercial garbage	
collection activities based on relative tonnage as follows:	

	Tonnage	%	Allocation
Residential Garbage Collection	471,390	98.51%	\$735,313
Commercial Garbage Collection	7,124	1.49%	\$11,113
Total Garbana	478 514	100.00%	\$74E 42E

3. Interest Expense that totaled	\$101,330	was allocated	61.92%
to garbage collection and	38.08%	to trash collection ba	ased on the relative
tonnages. The affocation within garbage	and trash was base	d on the current year re	elative direct cost.

	Direct Cost	%	Allocation
Residential Garbage Collection	\$39,728,798	98.32%	\$61,692
Commercial Garbage Collection	\$676,998	1.68%	\$1,051
Total Garbage Direct Cost	\$40,405,796	100.00%	\$62,743
61.92%	Interest	=	\$62,743
	Direct Cost	%	Allocation
Residential Trash-Curbside/TR Centers	\$22,456,862	99.13%	\$38,251
Commercial Trash Collection	\$197,232	0.87%	\$336
Total Trash Direct Cost	\$22,654,094	100.00%	\$38,587
38.08%	Interest	Ē	\$38,587

4. Depreciation totaling	\$7,078,620	was allocated	61.92%
to garbage collection and	38.08%	to trash collection ba	sed on the relative
tonnages. The allocation within gart	age and trash was hase	d on the current year re	lative direct cost

	Direct Cost	%	Allocation .
Curbside Garbage Collection	\$39,728,798	98.32%	\$4,309,644
Commercial Garbage Collection	\$676,998	1.68%	\$73,438
Total Garbage Collection Direct Cost	\$40,405,796	100.00%	\$4,383,082
61.92%	Depreciation	-	\$4,383,082
	Direct Cost	% /	Allocation
Curbside Trash Collection	\$11,215,034	49.51%	\$1,334,441
T&R Center Trash Collection	\$11,241,828	49.62%	\$1,337,629
Commercial Trash Collection	\$197,232	0.87%	\$23,468
Total Trash Collection Direct Cost	\$22,654,094	100.00%	\$2,695,538
38.08%	Depreciation	= .	\$2,695,538

Trash Administration Division Costs: Administrative costs for Trash Division totaling \$1,553,379 were allocated between residential and commercial trash collection activities based on relative tonnage. Within residential, the costs are allocated to Litter. Lot Clearing, Demottion, and Curbside trash based on the relative direct cost of those activities.

Residential Tons	224,943	98.21%	%
Commercial Tons	4,089	1.79%	%
Total Toca	220.022	100.002	

	Direct Cost		Allocation
Commercial Trash Collection	not applicable		\$27,733
Residential Trash-Curbside	11,215,034	47.91%	\$730,963
Residential Trash-TR Centers	11,241,828	48.03%	\$732,709
Litter Control	950,853	4.06%	\$61,974
Lot Clearing (excluded-considered enf.)	0	0.00%	\$0
Demolition	0	0.00%	\$0
Total Residential Direct Cost	23,407,715	100.00%	\$1,553,379

Deptwide indirect cost totaling \$14,197,400 were allocated to the activities listed below based on the relative direct cost of each activity. For this purpose the direct cost of the garbage and trash divisions includes the allocated costs from the garbage and trash administration units as shown.

	Direct Cost		%	Allocation
Curbside Garbage Collection	\$40,464,111	(1)	51.24%	\$7,275,027
Curbside Trash Collection	\$11,945,997	(1)	15.13%	\$2,147,766
T&R Center Trash Collection	\$11,974,537	(1)	15.16%	\$2,152,897
Recycling Programs	\$8,692,979		11.01%	\$1,562,907
Commercial Garbage Collection	\$688,111	(1)	0.87%	\$123,715
Commercial Trash Collection	\$224,965	(1)	0.28%	\$40,446
Illegal Dumping/Enforcement	\$3,963,223		5.02%	\$712,546
Litter Control	\$1,012,827	(1)	1.28%	\$182,096
Lot Clearing	\$0	100	0.00%	\$0
Demotion	\$0		0.00%	\$0
		-		
	\$78,966,750		100.00%	\$14,197,400

⁽¹⁾ After Garbage/Trash Adm. Affocation to Residential and Commercial.

Waste Management Enterprise Fund An Enterprise Fund of Public Works and Waste Management Department A Department of Miami-Dade County, Florida Workload Measures 09/30/2014

	Units	Tons Garbage	Tons Trash	Tons Total
Residential: Household can units Residential dumpster units City of Miami Hud Units Total Residential	322,405 3,916 75 326,396	471,390	224,943	696,333
Commercial: Household/commercial can units Commercial can units City of Miami Hud Units Commercial rollaway units Total Commercial	2,937 1,046 553 26 4,562	7,124	4,089	11,213
Recycling: Units in collections service area Municipal units Units outside service area Units inside service area w/o garbage service Total Recycling	326,396 27,811 69 1,697 355,973		62,915	62,915
Illegal Dumping:		-	2,278_	2,278
	Total	478,514	294,225	772,739
	Percentages:			
	Residential	61.00%	29.11%	
	Commercial	0.92%	0.53%	
	Recycling:	0.00%	8.14%	
	Illegal Dumping:	0.00%	0.29%	
	Totals	61.92%	38.08%	

Waste Collection System

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Position

		al Years Ended mber 30,		
	2014	2013		
	(In the	(In thousands)		
Operating Revenues				
Solid waste collection services	\$ 143,703	\$ 135,376		
Other operating revenues	955	876		
Total Collection				
Operating Revenues	144,658	136,252		
Operating Expenses				
Garbage collection	41,151	39,607		
Trash collection	25,002	22,701		
Recycling	8,693	8,676		
Litter control	907	1,010		
Enforcement and		0.000		
environmental compliance	3,676	3,539		
General and administrative	10,919	14,196		
Total	90,348	89,729		
Depreciation	7,079	7,893		
Total Collection				
Operating Expenses	97,427	97,622		
Collection Operating Income	47,231	38,630		
Non-Operating Revenues (Expenses)				
Interest income	96	(4)		
Interest expense	(208)	(264)		
Other income (expense), net	(2,484)	313		
Total Collection Non-Operating Revenues (Expenses), Net	(2,596)	45		
Contributions (as restated)		1,500		
Change in Net Position Before Elimination	44,635	40,17		
Elimination*	(51,083)	(47,315		
Change in Net Position After Elimination	\$ (6,448)	\$ (7,140		

^{*}Impact to Net Position by the elimination of tipping fees paid to the Disposal System.

See accompanying independent auditor's report.



The undersigned, a duly authorized representative of Miami-Dade County, Florida. HEREBY CERTIFIES THAT:

The Miami-Dade County Public Works and Waste Management Department Full Cost Disclosure Report, a copy of which is attached for the fiscal year ended September 30, 2014 does not, to the best of my knowledge, contain any untrue statements or calculations nor fails to present any material facts which should be included for the purpose of properly informing the public of the full cost of solid waste management services.

IN WITNESS THEREOF, I have hereunto set my hand and seal this 3 day of March, 2015.

Edward Marquez Finance Director

Miami-Dade County